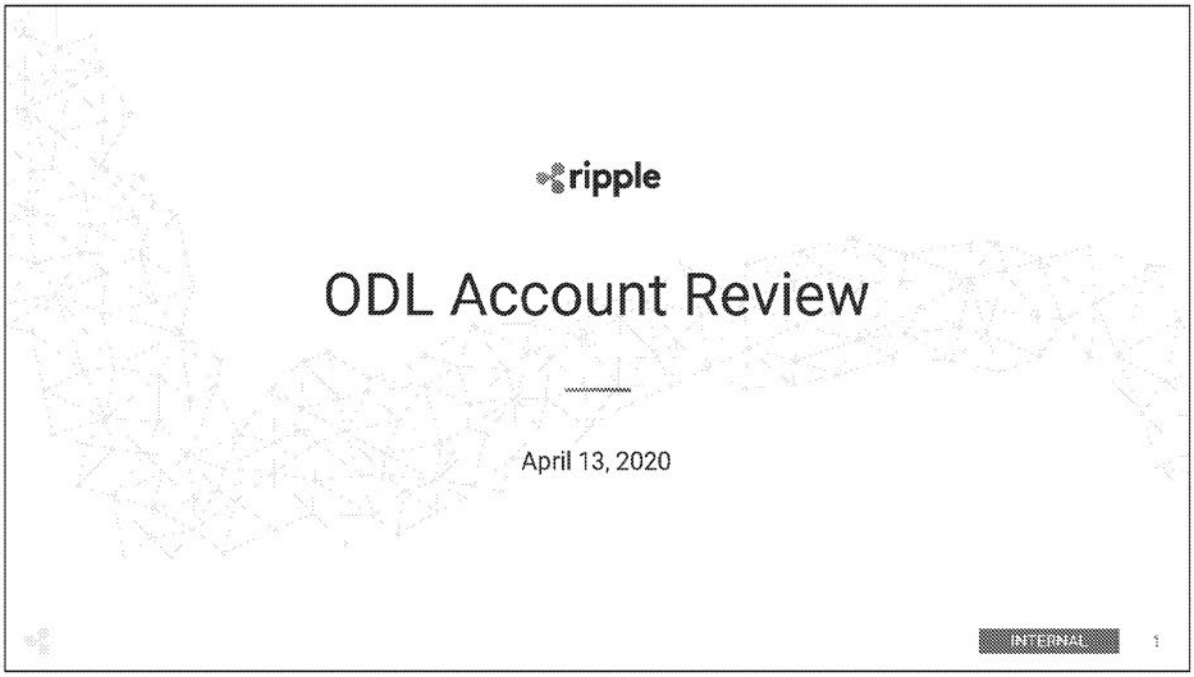
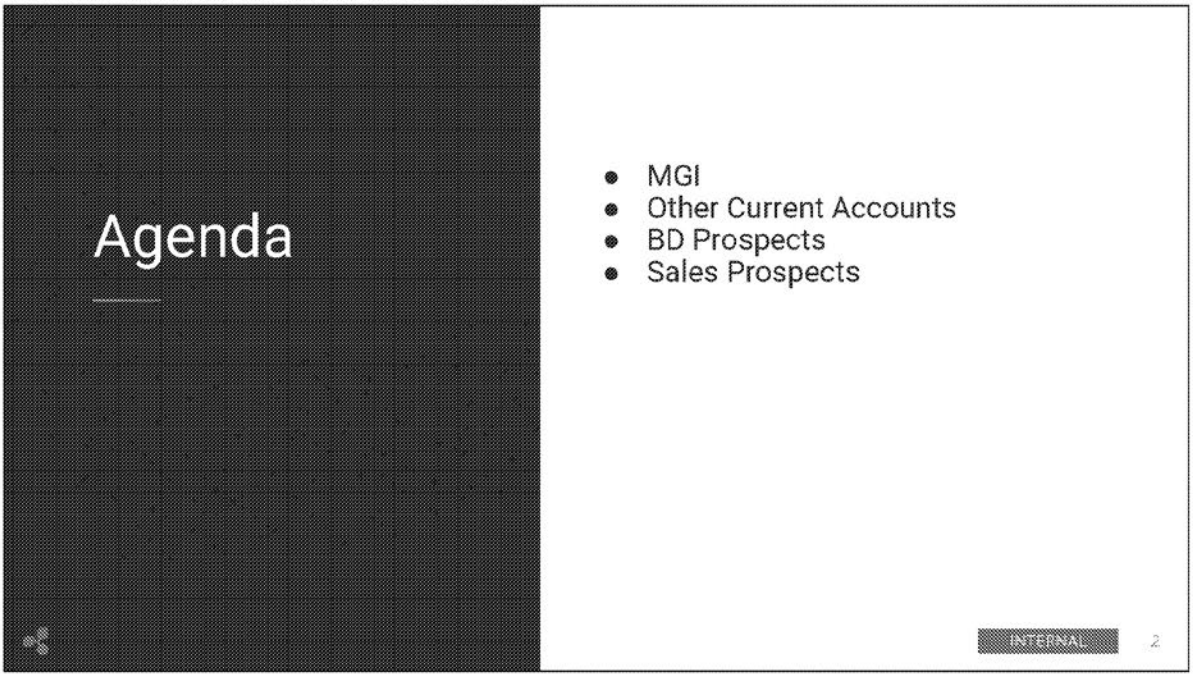
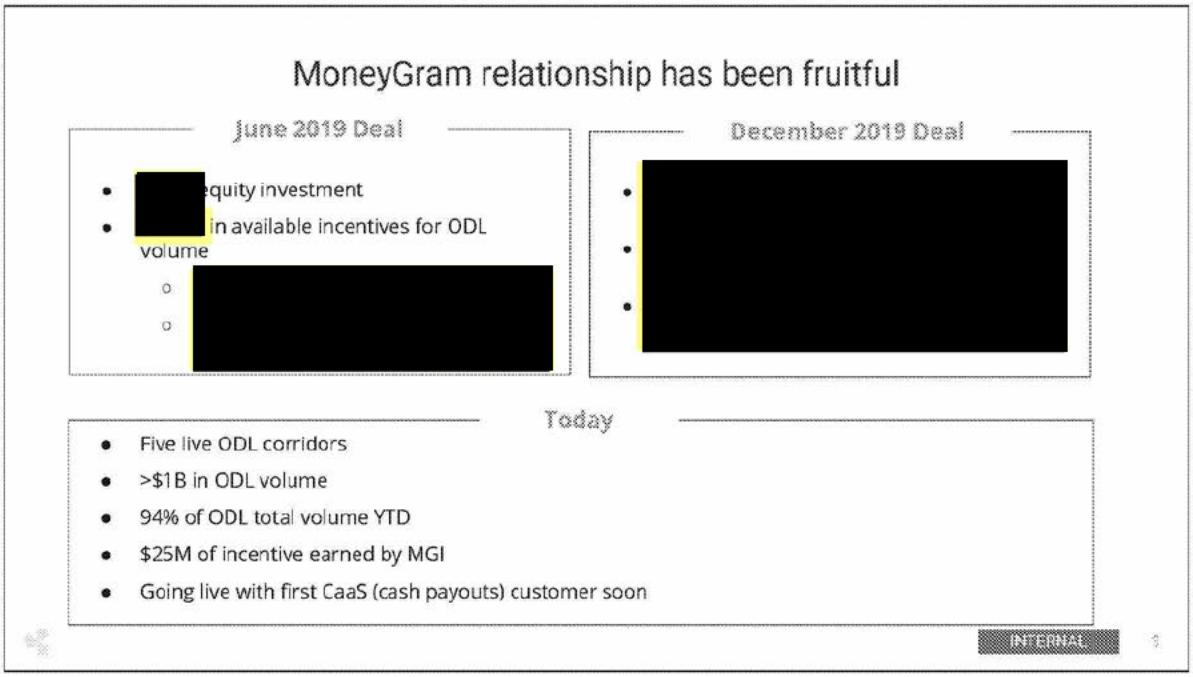
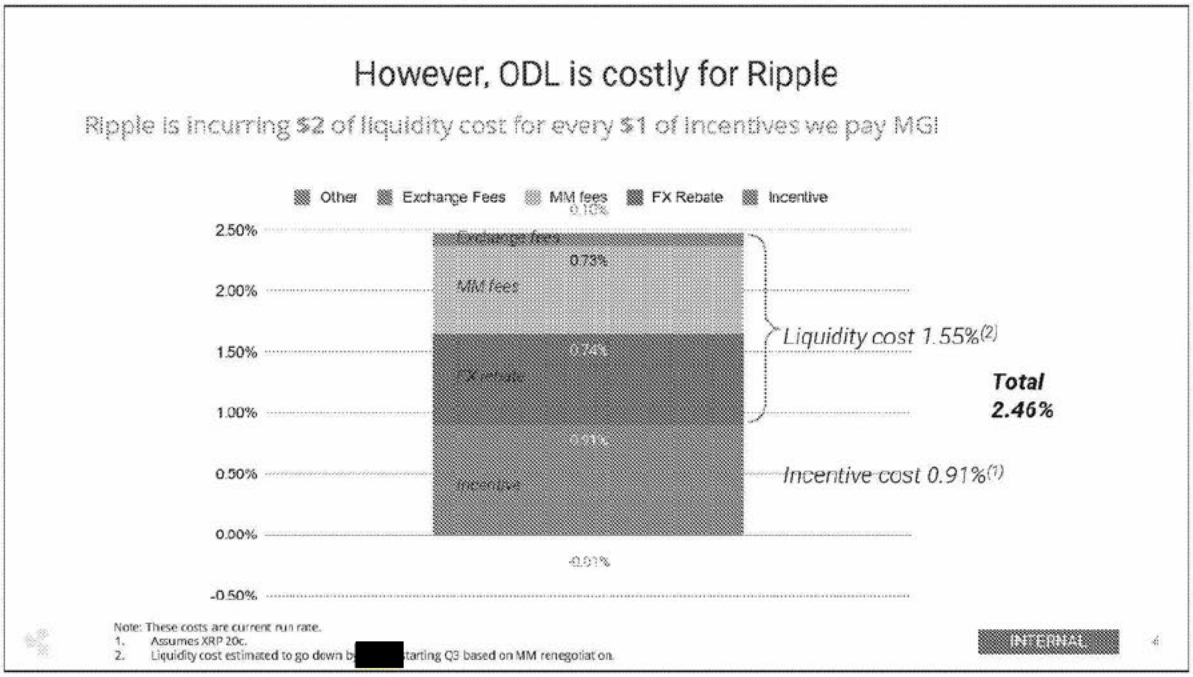
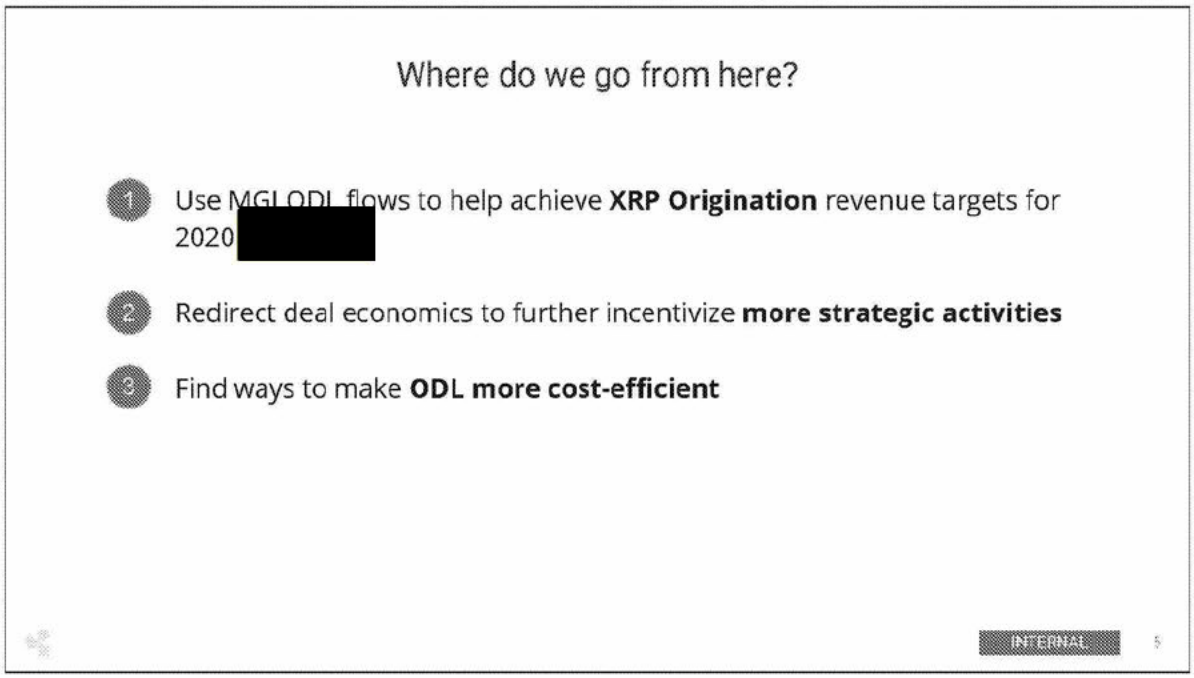
PX 626


ripple
ODL Account Review
April 13, 2020
INTERNAL
1


Agenda
MGI
Other Current Accounts
BD Prospects
Sales Prospects
INTERNAL
2


MoneyGram relationship has been fruitful
June 2019 Deal
[redacted] equity investment
[redacted] in available incentives for ODL volume
o [redacted]
o [redacted]
December 2019 Deal
[redacted]
Today
Five live ODL corridors
>$1B in ODL volume
94% of ODL total volume YTD
$25M of incentive earned by MGI
Going live with first CaaS (cash payouts) customer soon
INTERNAL


However, ODL is costly for Ripple
Ripple is incurring $2 of liquidity cost for every $1 of incentives we pay MGI
Other
Exchange Fees
MM fees
FX Rebate
Incentive
0.10%
2.50%
2.00%
1.50%
1.00%
0.50%
0.00%
-0.50%
Exchange fees
0.73%
MM fees
0.74%
FX rebate
0.91%
Incentive
-0.91%
Liquidity cost 1.55%(2)
Total
2.46%
Incentive cost 0.91%(1)
Note: These costs are current run rate.
1. Assumes XRP 20c.
2. Liquidity cost estimated to go down b [redacted] starting Q3 based on MM renegotiation.
INTERNAL
4


Where do we go from here?
1 Use MGLODL flows to help achieve XRP Origination revenue targets for 2020 [redacted]
2 Redirect deal economics to further incentivize more strategic activities
3 Find ways to make ODL more cost-efficient
INTERNAL
5

Where do we go from here?

1. Use MGI ODL flows to help achieve XRP Origination targets for 2020
   - Target [redacted] of volume for rest of year (down from [redacted] BAU)
   - [redacted] shortfall in incentive value for MoneyGram vs. 2020 minimum target
   - [redacted] in savings to Ripple vs. BAU

2. Redirect deal economics to further incentivize more strategic activities
   - **CaaS** - add incentives to more quickly scale this relationship
   - **Build out RippleNet** - incentivize MGI ODL go-live with RippleNet prospective digital wallet customers and banks

3. Find ways to make ODL more cost-efficient
   - Maximize lower cost corridors (EUR/USD) and minimize higher cost corridors (AUD/PHP)
   - Adjust how FX rebate is calculated
   - Restructure MM contracts

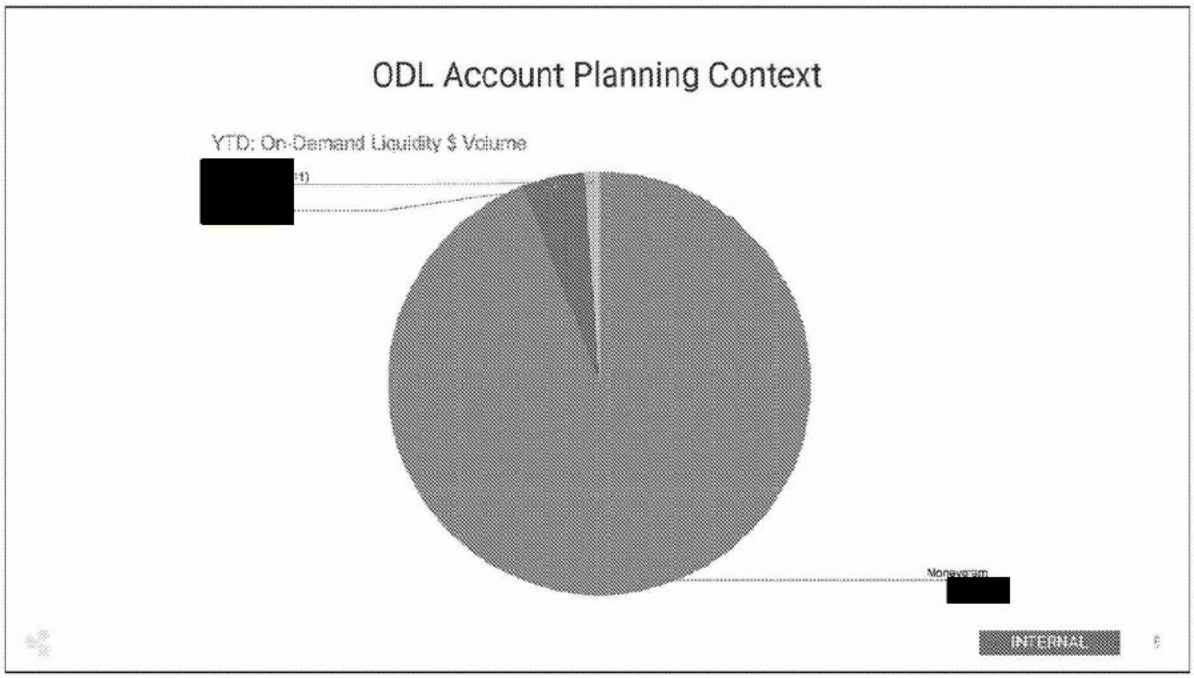
INTERNAL 6

Next steps

1. Analysis and initial strategy formation
1. Internal stakeholder feedback; alignment; adjust ⟵ **We are here**
1. Communication plan (internal / external)
1. External engagement with MGI
   - Start at CEO/COO level; introduce concept and rationale
   - Synthesize feedback
   - Align on principles
   - Negotiate terms

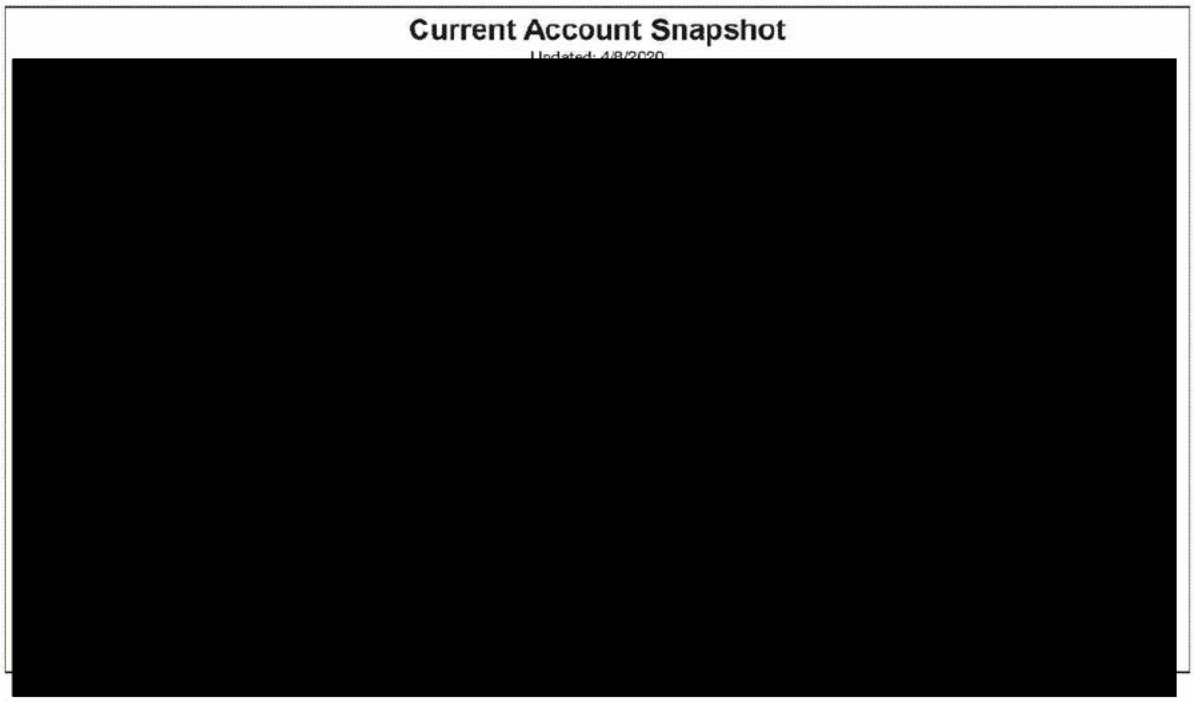
Preserve good relationship

INTERNAL 7



Translates well to cost. Interms of ODL costs, MGI = [redacted]

[redacted]%


Current Account Snapshot
Updated: 4/8/2020
[redacted]

Current Account Snapshot

[redacted]

BD Deal Pipeline Evaluation Framework

Proposal

Additional Considerations for future deals:

BD Deal Pipeline Snapshot

Updated: 4/8/2020

BD Deal Pipeline Snapshot

Updated: 4/8/2020

BD Deal Pipeline Snapshot

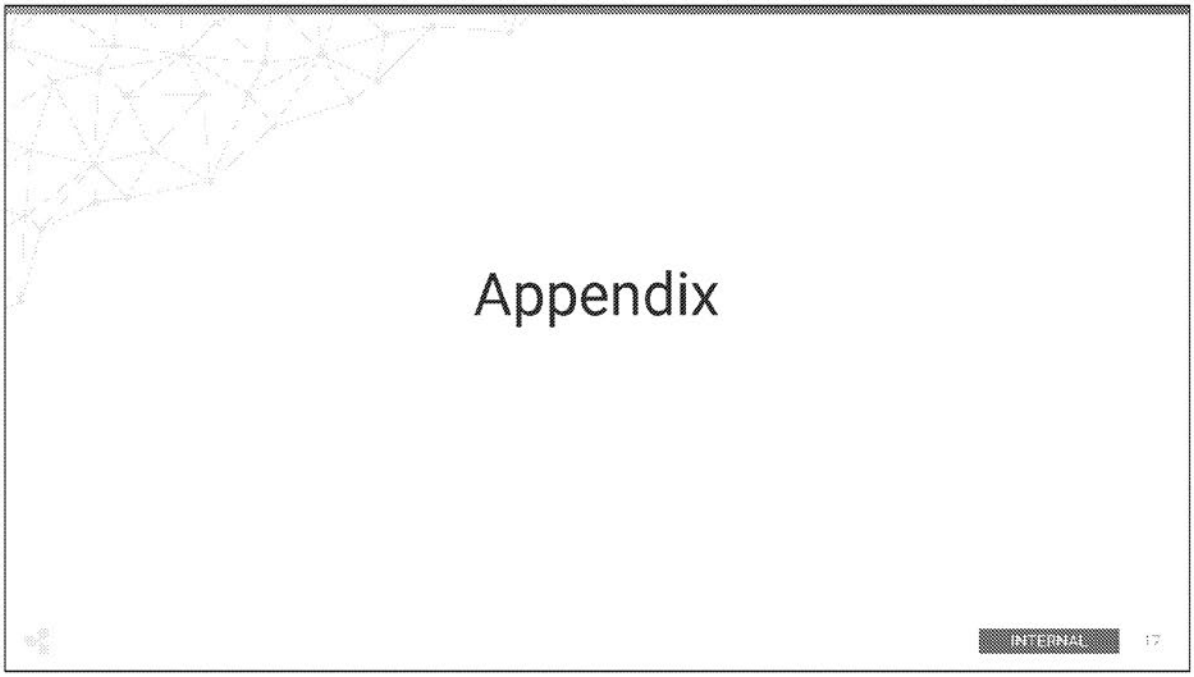
Updated: 4/8/2020

[redacted]

BD Deal Pipeline Snapshot

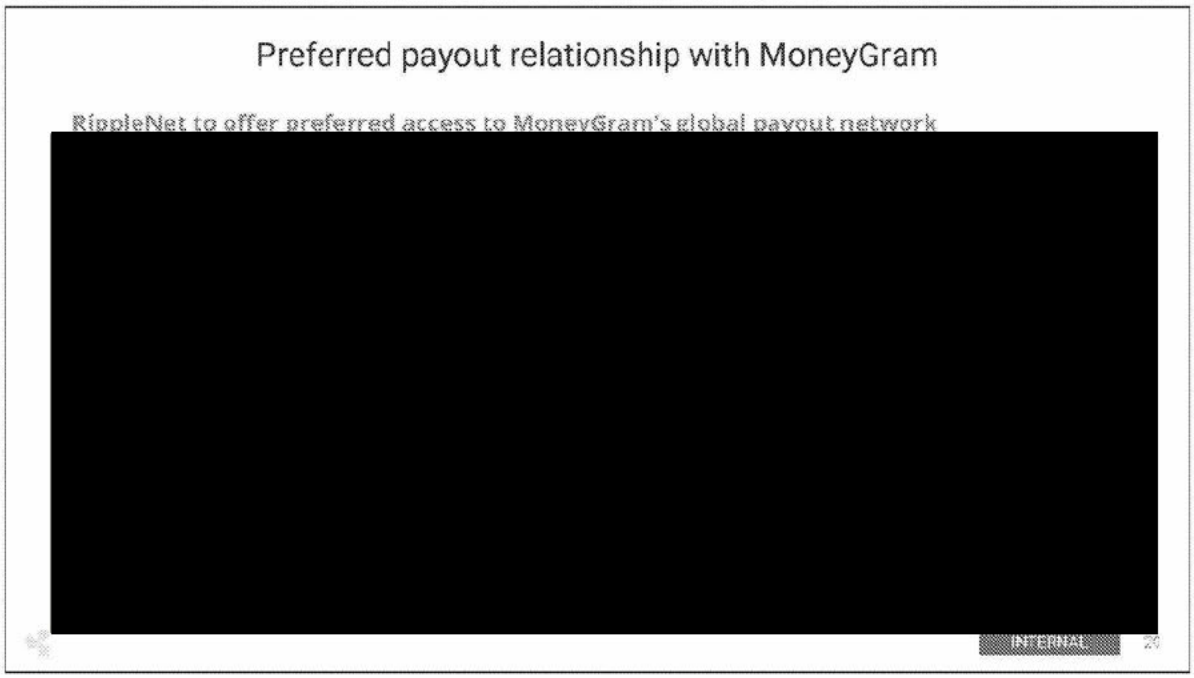
Updated: 4/8/2020

Ripple ODL Sales Plan Recommendation
[redacted]
INTERNAL
16


Appendix
INTERNAL

How it looks to MGI

How it looks to Ripple


Preferred payout relationship with MoneyGram
RippleNet to offer preferred access to MoneyGram's global payout network
[redacted]
INTERNAL
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